



DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-836]

Light-Walled Rectangular Pipe and Tube from Mexico: Preliminary Results and Partial Rescission of the Antidumping Duty Administrative Review; 2020-2021

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that Maquilacero S.A. de C.V. (Maquilacero) and Tecnicas de Fluidos S.A. de C.V. (TEFLU), (collectively, Maquilacero/TEFLU) and Regiomontana de Perfiles y Tubos S. de R.L. de C.V. (Regiopytsa) made sales of light-walled rectangular pipe and tube from Mexico at less than normal value during the period of review August 1, 2020, through July 31, 2021. We are also rescinding this review for 14 companies where timely requests for withdrawals were filed by all parties who requested their review. We invite interested parties to comment on these preliminary results.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: John Conniff or Kyle Clahane, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1009 and (202) 482-5449, respectively.

SUPPLEMENTARY INFORMATION:

Background

On August 5, 2008, Commerce published the antidumping duty order on light-walled rectangular pipe and tube from Mexico in the *Federal Register*.<sup>1</sup> On August 2, 2021, we

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<sup>1</sup> See *Light-Walled Rectangular Pipe and Tube from Mexico, the People's Republic of China, and the Republic of Korea: Antidumping Duty Orders; Light-Walled Rectangular Pipe and Tube from the Republic of Korea: Notice of Amended Final Determination of Sales at Less Than Fair Value*, 73 FR 45403 (August 5, 2008) (*Order*).

published a notice of opportunity to request an administrative review of the *Order*.<sup>2</sup> On October 7, 2021, based on timely requests for reviews, in accordance with 19 CFR 351.221(c)(1)(i), we initiated an administrative review of the *Order* covering 18 companies.<sup>3</sup> On October 27, 2021, we selected Maquilacero/TEFLU and Regiopytsa for individual examination as the mandatory respondents in this administrative review.<sup>4</sup>

For a complete description of the events that followed the initiation of the review, *see* the Preliminary Decision Memorandum.<sup>5</sup> A list of topics included in the Preliminary Decision Memorandum is included in the appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

### Scope of the *Order*

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<sup>2</sup> See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 86 FR 41436 (August 2, 2021).

<sup>3</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 86 FR 55811, 55813 (October 7, 2021) (*Initiation Notice*). Commerce determined that Regiomontana de Perfiles y Tubos S. de R.L. de C.V. is the successor-in-interest to Regiomontana de Perfiles y Tubos S.A. de C.V. in *Light-Walled Rectangular Pipe and Tube from Mexico: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review; 2018-2019*, 85 FR 83886 (December 23, 2020), and accompanying Preliminary Decision Memorandum (PDM), at 6, unchanged in *Light Walled Rectangular Pipe and Tube from Mexico: Final Results of Antidumping Duty Administrative Review; 2018-2019*, 86 FR 33646 (June 25, 2021). The successor company, Regiomontana de Perfiles y Tubos S. de R.L. de C.V., is merely a revision of the type of incorporation under Mexican law that did not impact the company's ownership, management, or operations. For the current review, the *Initiation Notice* included both the current and former versions of Regiopytsa's company name. Additionally, we collapsed Maquilacero and TEFLU in the 2018-19 administrative review. See *Light-Walled Rectangular Pipe and Tube from Mexico: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review; 2018-2019*, 85 FR 83886 (December 23, 2020), and accompanying PDM, at 6, unchanged in *Light Walled Rectangular Pipe and Tube from Mexico: Final Results of Antidumping Duty Administrative Review; 2018-2019*, 86 FR 33646 (June 25, 2021). Because there is no information on the record of this administrative review that would lead us to revisit this determination, we are continuing to treat these companies as part of a single entity for the purposes of this administrative review.

<sup>4</sup> See Memorandum, "Respondent Selection," dated October 27, 2021.

<sup>5</sup> See Memorandum, "Decision Memorandum for the Preliminary Results: Light-Walled Rectangular Pipe and Tube from Mexico; 2020-2021," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

The merchandise subject to the *Order* is certain light-walled rectangular pipe and tube from Mexico. For a complete description of the scope, *see* the Preliminary Decision Memorandum.

#### Methodology

Commerce is conducting this review in accordance with sections 751(a)(2) of the Tariff Act of 1930, as amended (the Act). Export price was calculated in accordance with section 772 of the Act. Normal value was calculated in accordance with section 773 of the Act. For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

#### Partial Rescission of Administrative Review

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if the parties that requested a review withdraw the request within 90 days of the date of publication of the notice of initiation. Commerce received a timely-filed withdrawal request from Nucor Tubular Products Inc. (Nucor) on January 5, 2022, withdrawing its request for 14 companies, pursuant to 19 CFR 351.213(d)(1).<sup>6</sup> Because the withdrawal request was timely filed, and no other party requested a review of these companies, in accordance with 19 CFR 351.213(d)(1), Commerce is rescinding this review of the *Order* with respect Aceros Cuatro Caminos S.A. de C.V.; Arco Metal S.A. de C.V.; Fabricaciones y Servicios de Mexico; Galvak, S.A. de C.V.; Grupo Estructuras y Perfiles; Industrias Monterrey S.A. de C.V.; Internacional de Aceros, S.A. de C.V.; Nacional de Acero S.A. de C.V.; PEASA-Productos Especializados de Acero; Talleres Acero Rey S.A. de C.V.; Ternium Mexico S.A. de C.V.; Tuberias Aspe S.A de C.V.; Tuberia Laguna, S.A. de C.V.; and Tuberias y Derivados S.A. de C.V. However, Perfiles LM, S.A. de C.V. (Perfiles) and Productos Laminados de Monterrey S.A. de C.V. (Prolamsa) remain subject to this review.

#### Rate for Non-Selected Companies

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<sup>6</sup> *See* Nucor's Letter, "Partial Withdrawal of Request for Administrative Review," dated January 5, 2022.

For the rate for companies not selected for individual examination in an administrative review, generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a less-than-fair-value (LTFV) investigation. Under section 735(c)(5)(A) of the Act, the all-others rate is normally “an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely {on the basis of facts available}.” In this administrative review, we calculated weighted-average dumping margins for Maquilacero/TEFLU and Regiopysta that are not zero, *de minimis*, or based entirely on total facts available. For the respondents that were not selected for individual examination in this administrative review, we have assigned to them the simple average of the margins for Maquilacero/TEFLU and Regiopysta, consistent with the guidance in section 735(c)(5)(B) of the Act.<sup>7</sup>

#### Preliminary Results of Review

We preliminarily determine that, for the period August 1, 2020, through July 31, 2021, the following estimated weighted-average dumping margins exist:

<b>Exporter or Producer</b>	<b>Weighted-Average Dumping Margin (percent)</b>
Maquilacero S.A. de C.V./Tecnicas de Fluidos S.A. de C.V.	3.11
Regiomontana de Perfiles y Tubos S. de R.L. de C.V.	4.47
Perfiles LM, S.A. de C.V.	3.79
Productos Laminados de Monterrey S.A. de C.V.	3.79

#### Disclosure

We intend to disclose the calculations performed for these preliminary results to parties within five days after the date of publication of this notice.<sup>8</sup>

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<sup>7</sup> See Memorandum, “Calculation of Non-Selected Rate in Preliminary Results,” dated concurrently with this notice; see also *Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part*, 75 FR 53661, 53663 (September 1, 2010).

<sup>8</sup> See 19 CFR 351.224(b).

## Verification

On January 18, 2022, Nucor requested that Commerce conduct verification of Maquilacero/TEFLU's and Regiopytsa's responses. Accordingly, as provided in section 782(i)(3) of the Act, Commerce intends to verify the information relied upon in determining its final results.

## Public Comment

Interested parties will be notified of the timeline for the submission of such case briefs and written comments at a later date. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than seven days after the date for filing case briefs.<sup>9</sup> Parties who submit case or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.<sup>10</sup> Executive summaries should be limited to five pages total, including footnotes.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via Commerce's electronic records system, ACCESS, within 30 days of the date of publication of this notice.<sup>11</sup> Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues parties intend to discuss. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

All submissions to Commerce should be filed using ACCESS.<sup>12</sup> An electronically filed document must be received successfully in its entirety by ACCESS, by 5:00 p.m. Eastern Time

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<sup>9</sup> See 19 CFR 351.309(d)(1)

<sup>10</sup> See 19 CFR 351.309(c)(2) and (d)(2).

<sup>11</sup> See 19 CFR 351.310(c).

<sup>12</sup> See 19 CFR 351.303.

on the date that the document is due. Note that Commerce has modified certain of its requirements for serving documents containing business proprietary information, until further notice.<sup>13</sup>

Unless extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of all issues raised in the case and rebuttal briefs, within 120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act.

#### Assessment Rates

Upon completion of the administrative review, pursuant to section 751(a)(2)(A) of the Act, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review.

For individually examined respondents whose weighted-average dumping margin is not zero or *de minimis* (*i.e.*, less than 0.50 percent), we will calculate importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the importer's examined sales to the total entered value of those same sales in accordance with 19 CFR 351.212(b)(1). If the respondent has not reported entered values, we will calculate a per-unit assessment rate for each importer by dividing the total amount of dumping calculated for the examined sales made to that importer by the total quantity associated with those transactions. To determine whether an importer-specific, per-unit assessment rate is *de minimis*, in accordance with 19 CFR 351.106(c)(2), we also will calculate an importer-specific *ad valorem* ratio based on estimated entered values.

We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review when the importer-specific assessment rate calculated in the final results of this

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<sup>13</sup> See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID 19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

review is not zero or *de minimis*. If a respondent's weighted-average dumping margin is zero or *de minimis* within the meaning of 19 CFR 351.106(c)(1), or an importer-specific assessment rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by this review where applicable.

Regarding entries of subject merchandise during the period of review that were produced by Maquilacero/TEFLU and Regiopytsa and for which they did not know that the merchandise was destined for the United States, we will instruct CBP to liquidate such entries at the all-others rate of 3.76 percent, as established in the LTFV investigation, if there is no rate for the intermediate company(ies) involved in the transaction.<sup>14</sup> For a full discussion of this issue, *see the Assessment Policy Notice*.<sup>15</sup>

For those companies which were not individually examined, we will instruct CBP to assess antidumping duties at an *ad valorem* rate equal to that companies weighted-average dumping margin as determined in the final results of this review.

Commerce intends to issue assessment instructions to CBP no earlier than 41 days after the date of publication of the final results of this review in the *Federal Register*, in accordance with 19 CFR 356.8(a).

#### Cash Deposit Requirements

The following deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for each specific company listed above will be equal to the weighted-average dumping margin established in the final results of this administrative, review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19

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<sup>14</sup> See *Order*, 73 FR at 45405.

<sup>15</sup> See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003) (*Assessment Policy Notice*).

CFR 351.106(c)(1), in which case the cash deposit rates will be zero; (2) for companies not participating in this review, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding in which the producer or exporter participated; (3) if the exporter is not a firm covered in this review, a prior review, or the original LTFV investigation but the producer is, the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the producer of the merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be the all-others rate of 3.76 percent.<sup>16</sup>

These cash deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

#### Notification to Interested Parties

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: August 31, 2022.

Lisa W. Wang,  
Assistant Secretary  
for Enforcement and Compliance.

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<sup>16</sup> See *Order*, 73 FR at 45405.



## **Appendix**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Companies Not Selected for Individual Examination
- V. Discussion of the Methodology
- VI. Currency Conversion
- VII. Recommendation

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